

DEPARTMENT OF FOOD AND AGRICULTURE

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**BUREAU OF MILK POOLING
POLICY AND PROCEDURAL LETTER NO. 19**

ACCOUNTING PROCEDURES FOR DONATED MILK

In the event a producer wishes to donate market milk, cream, or skim milk to a charitable organization which is defined as "any organization which was organized and is operating for charitable purposes and meets the requirements set forth in Section 214 of the Revenue and Taxation Code", the following accounting procedures shall apply:

The producer would give advance notice to the handler of his intention to donate milk, cream, or skim prior to pick up.

In addition to the ranch pickup tag, another document (certificate of donation) shall be developed by the receiving handler, and signed by the producer at the time of pick up. The following data shall be entered on the certificate of donation: Producer name, producer number, date, volume components, and name of processing handler. A copy of the certificate should be retained by the handler for his accounting records, a copy left with the producer at the time of pick up, and a copy sent to the Bureau of Milk Pooling within 24 hours of pick up. In case of a diversion, a fourth copy should be furnished to the receiving handler.

The receiving handler would maintain accountability for the donated volume but would not report receipts or disposition of the donated milk on the MPB800 or the Producer Shipment Report.

Each receiving handler who processes donated milk shall use a Class 1 plant loss factor, exclusive of route returns. This factor shall be based on actual plant loss for the most current available month preceding the donation.

At the time of pick up, by or delivery to the charitable organization, the processing handler should obtain a signed delivery receipt which reflects the volume and description of each donated milk product.

Should more than one producer desire to donate milk, cream, or skim at the same time, the volume donated must be prorated among all donated products based on percentage of volume each producer donated, not to exceed the total volume recorded on ranch pickup tag(s) and certificate(s) of donation.

In the event the volume of product delivered to the charitable organization is less than the total volume donated by the producer(s), less the plant loss, the receiving handler will be required to account to the pool and to the producer or producers for the same difference. In case the volume is greater, the receiving handler will again be required to account to the pool for any overages.

Producers who donate milk, cream, or skim to a charitable organization will not participate in the pool for the amounts so donated.

The processing handler should maintain these records for audit purposes.

R. E. Rominger
Director

By:

Glenn Gleason

Dated: June 15, 1982